

**MINUTES OF THE STANDING COMMITTEE
ON RETIREE HEALTH CARE REFORMS**

Thursday, October 25, 2007 10:30 a.m. Room 521 House Office Building, Lansing

Representative Meadows, Chair, called the meeting to order.

MEMBERS PRESENT: Representatives Meadows, Spade, Johnson, Valentine, Alma Smith, Wenke, Calley, Knollenberg, Moss.

ABSENT/EXCUSED: Representative Coulouris.

Representative Calley made a motion to approve the minutes of the meeting of October 17, 2007. No objections being offered, a unanimous ballot was cast to accept the minutes as presented.

Representative Valentine made a motion to excuse absent members. No objections being offered, absent members were excused.

Paul Austin, Senior Vice President and Chief Actuarial Officer of Blue Cross-Blue Shield of Michigan, spoke to the Committee regarding managing the rising costs of retiree health care. Topics reviewed included how to analyze costs for non-Medicare retirees and Medicare retirees; how changes are implemented for current retirees and active employees currently eligible to retire and active employees not yet eligible to retire and future hires; common plan changes, including benefit plan changes; employee premium sharing; employee eligibility; changes that impact employees and retirees; and the need to be aware of unintended consequences.

Timothy Nelson, President, Northwestern Michigan College, and Dr. David Mathews, President, Southwestern Michigan College, spoke to the Committee regarding retirement options at Michigan's Community Colleges, including a MPSERS Defined Benefit Plan and optional retirement plan; college employee groupings; the "Double Jeopardy" of Health Care regarding the cost for employee's health care currently and the cost of retiree health care; MPSERS contributions; and suggestions to decrease liability growth.

Subsequent to discussion, Chair Meadows declared the meeting adjourned, the time being 11:49 a.m.

Representative Mark Meadows, Chair